

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY APRIL 17, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 625

Introduced by Assembly Member Levine

February 21, 2007

An act to amend Sections 16428.2 and 16428.3 of, and to add Section 16428.2.5 to, the Government Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 625, as amended, Levine. Energy: efficiency retrofits.

Existing law establishes the Special Deposit Fund in the State Treasury, which consists of moneys that are paid into it in trust pursuant to law, and provides that moneys are appropriated from the Special Deposit Fund to fulfill the purposes for which payments into it are made.

Existing law establishes the Ratepayer Relief Fund in the State Treasury to benefit electricity and natural gas ratepayers and to fund investigation and litigation costs of the state in pursuing allegations of overcharges and unfair business practices against generators, suppliers, or marketers of electricity or natural gas. Existing law requires that any energy settlement agreement, as defined, entered into by the Attorney General, after reimbursing the Attorney General's litigation and investigation expenses, direct settlement funds to the following purposes in priority order: (1) to reduce ratepayer costs of those utility ratepayers harmed by the actions of the settling parties; and (2) for deposit in the Ratepayer Relief Fund. Existing law authorizes the moneys deposited in the Ratepayer Relief Fund to be appropriated for certain purposes for the benefit of ratepayers.

Existing law requires the State Energy Resources Conservation and Development Commission to administer the State Energy Conservation Assistance Account, a continuously appropriated account, in the General Fund until January 1, 2011, to provide grants and loans to local governments and public institutions, including schools, as specified, to maximize energy use savings.

This bill would provide that, *except for moneys allocated pursuant to AB 118 of the 2007–08 Regular Session*, moneys and interest generated by an energy settlement agreement with The Williams Companies, Inc. and Williams Energy Marketing & Trading Company, received for energy efficiency retrofit of schools and public buildings, upon appropriation by the Legislature, ~~be directed toward~~ *allocated to* energy conservation projects and related ~~services to be performed for educational services at the University of California, the California State University, or the California Community Colleges, pursuant to specified criteria.~~

The bill would require the Department of Water Resources to report to the Legislature on or before July 1, 2008, and each July 1 thereafter, on all sums collected and expended for costs associated with siting and installation of certain generator units obtained through an energy settlement agreement with The Williams Companies, Inc. and Williams Energy Marketing & Trading Company.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 16428.2 of the Government Code is
- 2 amended to read:
- 3 16428.2. As used in this article, the following terms have the
- 4 following meanings:
- 5 (a) “Fund” means the Ratepayer Relief Fund established in
- 6 Section 16428.1.
- 7 (b) “Energy settlement agreement” means any agreement arising
- 8 from the energy crisis of 2000–02, where the State of California
- 9 or a division of the State of California, is a party in a complaint or
- 10 any action relating to the operation and management of any
- 11 generation facilities, any sale or purchase or transmission of natural
- 12 gas, any sale or purchase or transmission of electricity or other
- 13 utility or energy goods and services, or a violation of the Federal

Power Act (16 U.S.C. Sec. 791a et seq.), state law, or Public Utilities Commission orders or regulations relating to electricity generation, transmission, or distribution, electrical corporations, gas generation, storage, transmission, or distribution, gas corporations, energy generation facilities, or publicly owned utilities.

(c) “Williams Settlement Funds” means any moneys obtained, and any interest generated by the moneys, through the settlement of litigation with The Williams Companies, Inc. and Williams Energy Marketing & Trading Company, made and entered into as of November 11, 2002, and received for energy efficiency retrofit of schools and public buildings.

SEC. 2. Section 16428.2.5 is added to the Government Code, to read:

16428.2.5. (a) ~~Williams Settlement Funds shall be directed toward energy conservation projects and related services to be performed for~~ *With the exception of moneys allocated pursuant to Assembly Bill 118 of the 2007–08 Regular Session, Williams Settlement Funds shall be allocated to energy conservation projects and related educational services at the University of California, California State University, or California Community Colleges.*

(b) Energy conservation projects include the installation or modification of an installation ~~at any school or public building that is primarily intended to reduce energy consumption, including all of the following: retrofit or replacement of heating, ventilation, and air-conditioning systems, appliances, mechanical systems, insulation, windows, technical assistance, and building design and materials.~~

~~(1) Retrofit or replacement of heating, ventilation, and air-conditioning systems, appliances, mechanical systems, insulation, windows, technical assistance, and building design and materials.~~

~~(2) Services~~

(c) *Educational services* may include, but are not limited to, curriculum development, materials, professional engineering services, feasibility analyses, project design, field assistance, and operation and training. *All educational services shall be directly related to the energy conservation projects.*

~~(b) Requests for expenditure authority~~

1 ~~(d) Requests for funding~~ shall be evaluated utilizing the
2 following criteria in the following order of priority:

3 (1) The degree of incorporation of energy efficiency technology
4 into curriculum or efficacy of the energy conservation project to
5 be utilized as a learning tool.

6 ~~(2) The number of energy conservation or efficiency projects~~
7 ~~and the magnitude of energy efficiency benefits previously~~
8 ~~implemented by the applicant.~~

9 ~~(3) Whether the University of California, California State~~
10 ~~University, or California Community Colleges has designated staff~~
11 ~~or faculty responsible for coordinating the energy conservation~~
12 ~~project and the number of similar projects, and the magnitude of~~
13 ~~energy efficiency benefits previously derived under the~~
14 ~~management of the person or persons designated. This criterion~~
15 ~~shall consider whether previous projects were performed on or~~
16 ~~ahead of schedule, whether previous projects were completed on~~
17 ~~or below budget, and whether the benefits actually achieved or~~
18 ~~exceeded expectations.~~

19 ~~(4) The effectiveness of the energy conservation project as a~~
20 ~~demonstration project for other eligible institutions, including~~
21 ~~integration with existing energy efficiency technologies, proximity~~
22 ~~to other eligible institutions, and proximity to other educational,~~
23 ~~civic, and governmental institutions that may undertake similar~~
24 ~~projects.~~

25 ~~(5) The amount of energy saved in the short run and over the~~

26 (2) *The amount of energy saved over the* life of the energy
27 conservation project.

28 ~~(e)~~

29 (e) The University of California, California State University,
30 or California Community Colleges may finance all or a portion of
31 the costs incurred in implementing an energy conservation project.
32 Included are the institution's costs jointly funded through a state,
33 local, public utility, or federal-local program.

34 ~~(d)~~

35 (f) The Williams Settlement Funds shall be appropriated by the
36 Legislature in the annual Budget Act or other appropriation, and
37 be used by the University of California, California State University,
38 or California Community Colleges for the purposes of this section.

39 ~~(e)~~

1 (g) The Department of Finance, at its discretion, may audit the
2 expenditure of any allocation made pursuant to this chapter or the
3 computation of any payment made pursuant to this section and
4 may require the University of California, California State
5 University, or California Community Colleges to immediately
6 return the full amount of the allocation. The institution shall
7 immediately comply with that request.

8 SEC. 3. Section 16428.3 of the Government Code is amended
9 to read:

10 16428.3. (a) Except for Williams Settlement Funds expended
11 pursuant to Section 16428.2.5, and energy settlement agreement
12 entered into by the Attorney General, after reimbursing the
13 Attorney General's litigation and investigation expenses, to the
14 maximum extent possible, shall direct settlement funds to the
15 following purposes in priority order:

16 (1) To reduce ratepayer costs of those utility ratepayers harmed
17 by the actions of the settling parties. To the extent the ratepayers
18 of the investor-owned utilities were harmed, the settlement funds
19 shall be directed to reduce their costs, to the maximum extent
20 possible, through reduction of rates or the reduction of ratepayer
21 debt obligations incurred as a result of the energy crisis.

22 (2) For deposit in the fund.

23 (b) Nothing in this article shall preclude nonmonetary
24 compensation to the state through an energy settlement agreement,
25 provided that the allocation of benefits from any nonmonetary
26 compensation is consistent with paragraph (1) of subdivision (a).

27 SEC. 4. On or before July 1, 2008, and each July 1 thereafter,
28 the Department of Water Resources shall report to the Legislature
29 on all sums collected and expended for costs associated with siting
30 and installation of the LM6000 peaking generator units obtained
31 through the settlement with The Williams Companies, Inc. and
32 Williams Energy Marketing & Trading Company, made and
33 entered into as of November 11, 2002.